
Nan Ya Plastics
2023 3Q
Operations & Performance

Dec. 2023



Agenda

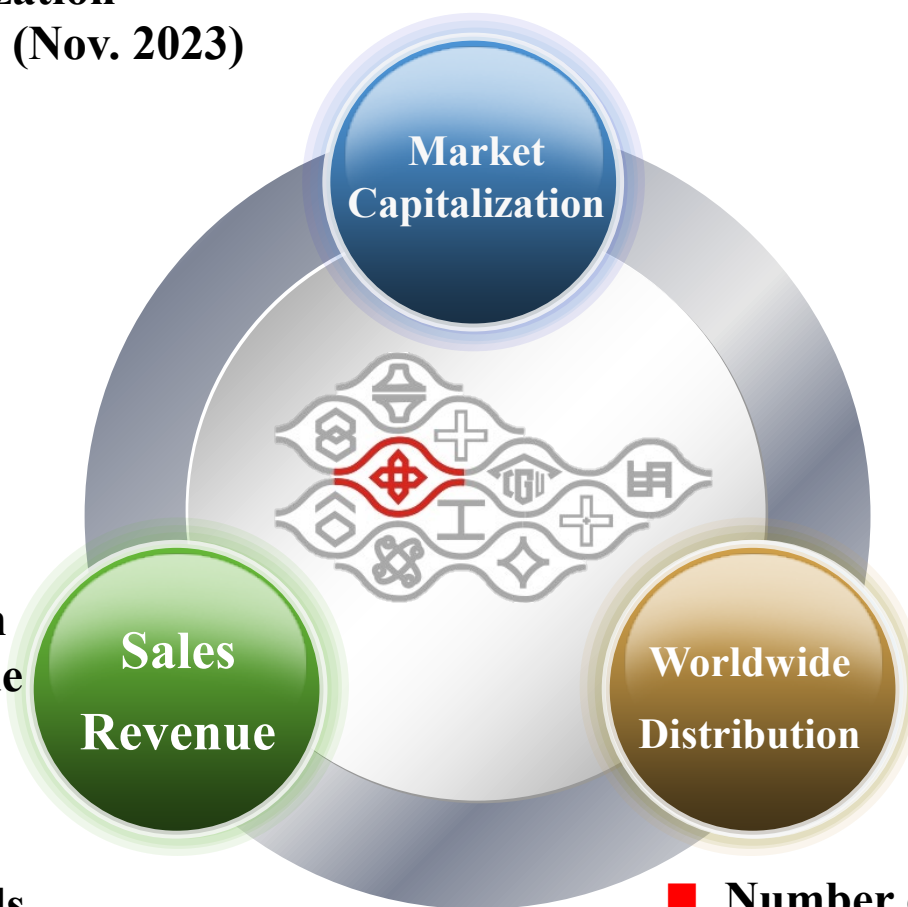
- **Overview**
- **Financial Highlights**
- **Annual Outlook**
- **Capacity Expansion Plan**
- **Q & A**



Overview

Highlights

- **Market Capitalization**
NT\$ 540.1billion (Nov. 2023)



- **NT\$ 355.2 billion**
(Y2022, not include Nanya Tech. Co.)
- **Sales breakdown**
 - 12% in plastics
 - 23% in chemicals
 - 45% in electronics
 - 18% in polyesters

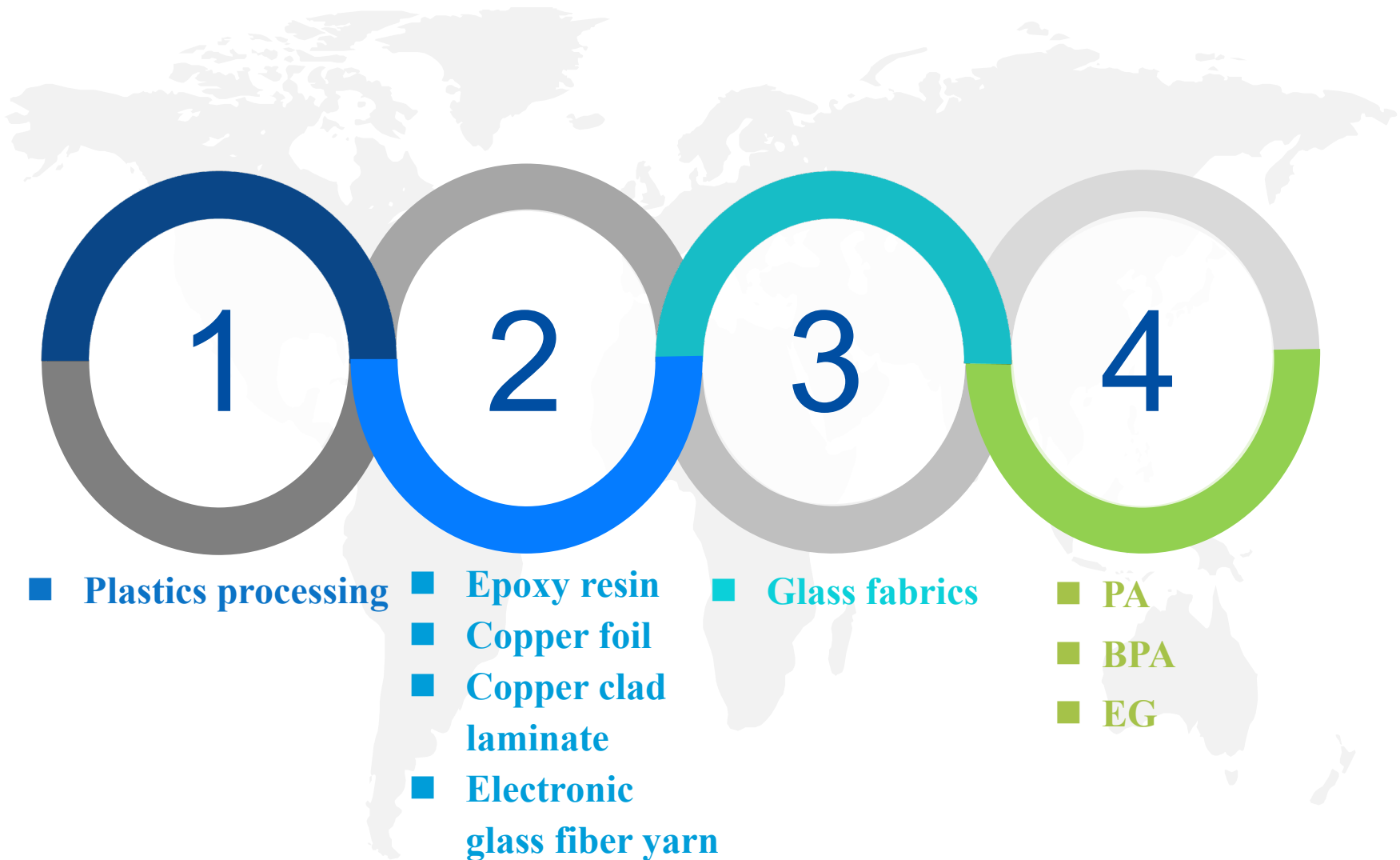
- **Total number of Plants 106**
 - 59 in Taiwan
 - 39 in China
 - 8 in US

- **Number of Employees 31,736**
(The number of Plants and Employees includes the consolidated financial reporting company)



Overview

Leading market positions for capacity



※Plasticizer products ranked 5th



Overview

History



Plastics Processing

1958



Nan Ya USA
& America Co.

- Texas
- Louisiana
- South Carolina

1979



Nanya Tech Co.

1995



Chemicals

1999

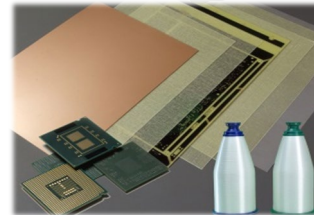
Polyesters

1969



Electronics
& Nan Ya PCB Co.

1986



Investing in
China

1994

- Xiamen
- Guangzhou
- Nantong
- Huizhou
- Kunshan
- Ningbo



Overview

Major Businesses

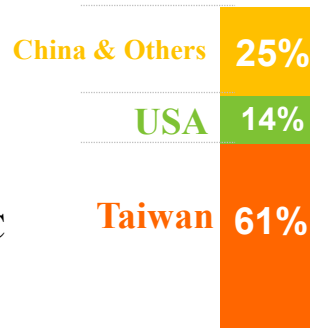
Sales breakdown in 2022



Plastics

12%

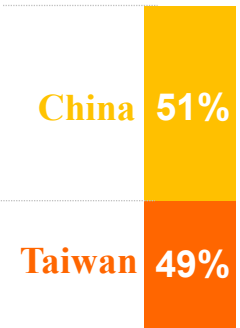
PVC Sheeting, PVC Rigid Film, PU Leather, PVC Rigid Pipe & Fittings, Window & Door Frames, Films, Engineering and PVC Compounds, PP Synthetic Paper



Electronics

45%

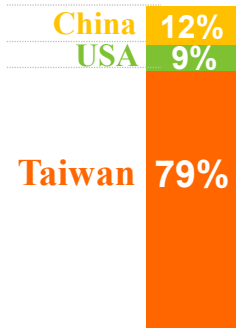
Glass Yarn, Glass Fabrics, Epoxy Resin, Copper Foil, Copper Clad Laminate, Printed Circuit Board



Chemicals

23%

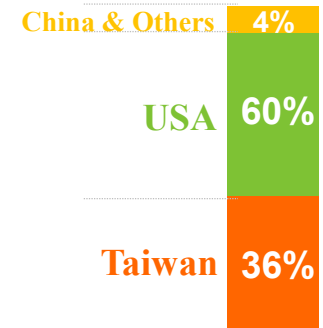
EG, BPA, 1,4BG, Plasticizer, PA, 2EH, INA, MA



Polyesters

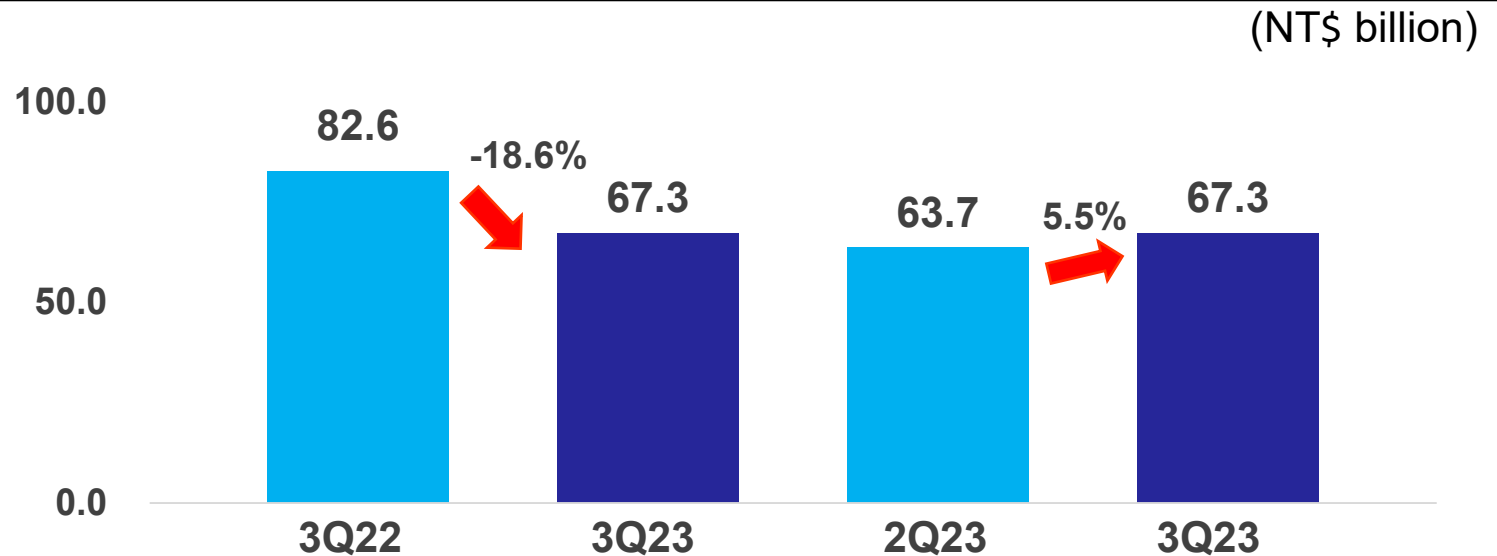
18%

Polyester Staple Fiber, PET Resin, Filament, PET Film



Financial Highlights

Consolidated Revenue by Quarter (IFRS)



- **Revenue in 2023 3Q decreased 18.6% YOY due to:**

Global economic conditions were unfavorable this year, with insufficient consumer momentum, leading to lower sales for most products compared to last year.

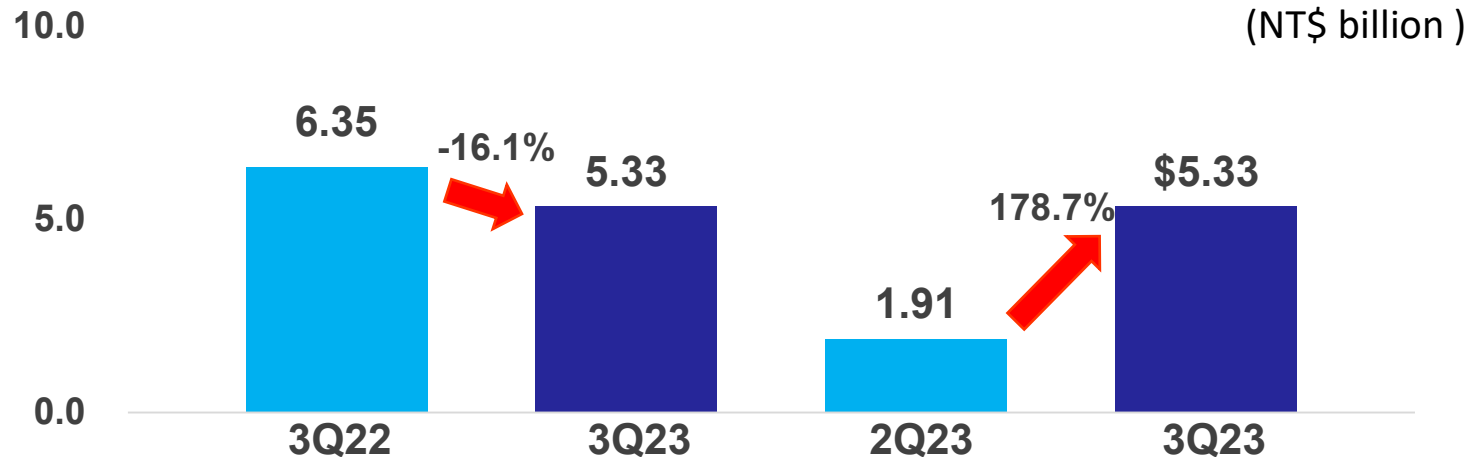
- **Revenue in 2023 3Q increased 5.5% QoQ due to:**

Benefiting from the gradual normalization of inventory levels in the electronic industry chain, orders for CCL, copper foil, epoxy, and etc., have increased. Additionally, the rise in oil prices has boosted the prices and demand for chemical products, leading the revenue growth compared with 2Q23.



Financial Highlights

Pre-tax Income by Quarter (IFRS)



■ 2023 3Q pre-tax income decreased 16.1% YoY due to :

1. Operating profit decreased NT\$2.82bn. Mainly due to the weakened demand of electronic material products.
2. Equity income increased NT\$5.17bn YoY :
(1) FPCC +NT\$5.41bn (2) Nanya Tech -NT\$1.51bn (3) Mai Liao Power +NT\$1.20bn
3. Dividends decreased NT\$2.37bn

■ 2023 3Q pre-tax income increased 178.7 % QoQ due to :

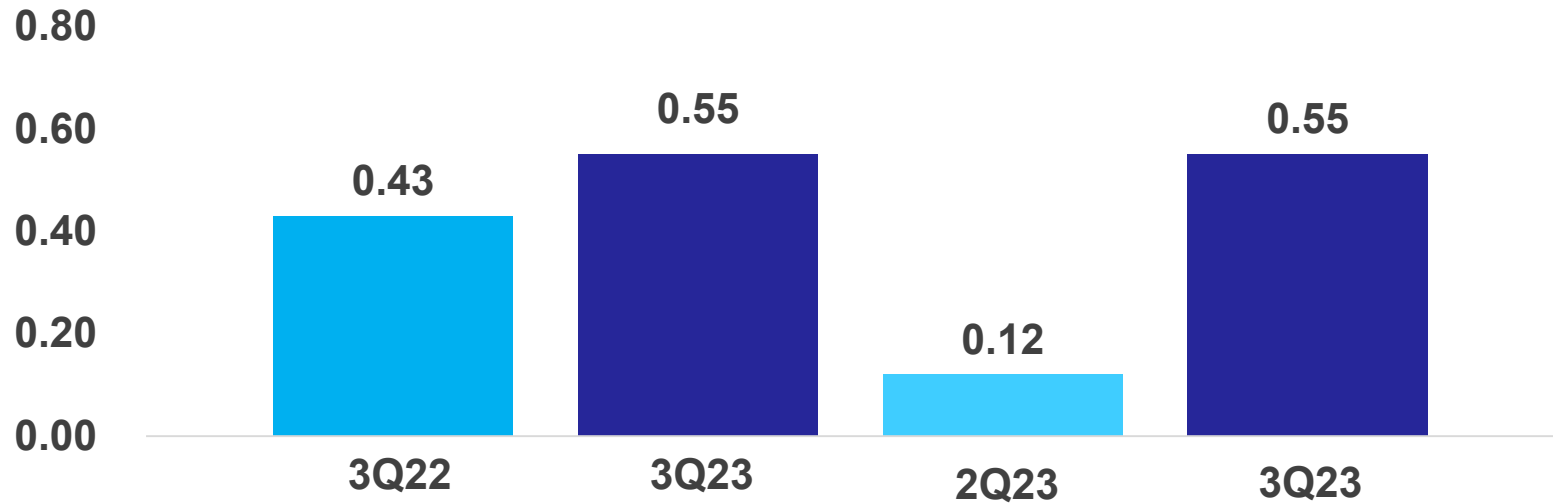
1. Operating profit increased by NT\$0.63bn. The main reason was the supply-demand gap for 2EH widened and profit margins improved.
2. Equity income increased NT\$4.04bn QoQ :
(1) FPCC +NT\$4.23bn (2) Mai Liao Power +NT\$0.62bn (3) Nanya Tech -NT\$0.51bn



Financial Highlights

EPS (IFRS)

(NT\$ dollar)



■ **EPS in 2023 3Q increased NT\$0.12 YoY due to :**

Mainly due to the increased investment income under the equity method from FPCC and etc., causing a slight increase in EPS.

■ **EPS in 2023 3Q increased NT\$0.43 QoQ due to :**

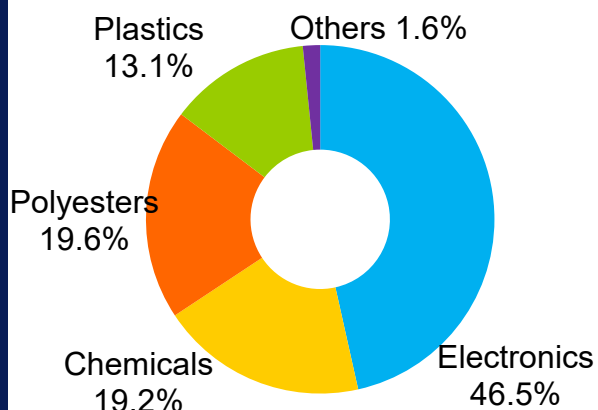
In terms of operating income, the margin of chemical products improved, and income from plastic processing products grew moderately. With an overall improvement in the environment, the operations of electronic materials products gradually improved. Additionally, investment income under equity method increased from FPCC and etc., leading to an increase in EPS compared with 2023 2Q.



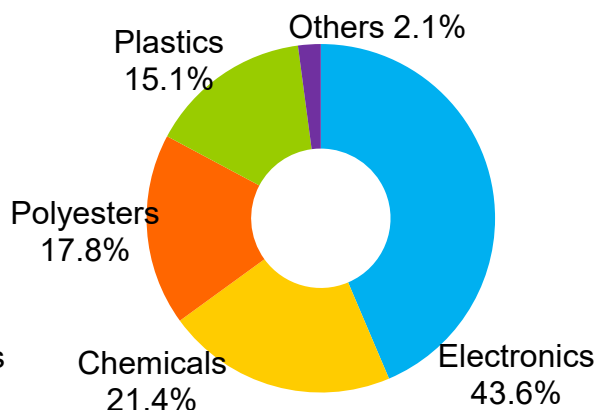
Financial Highlights

Revenue Breakdown (Quarter)

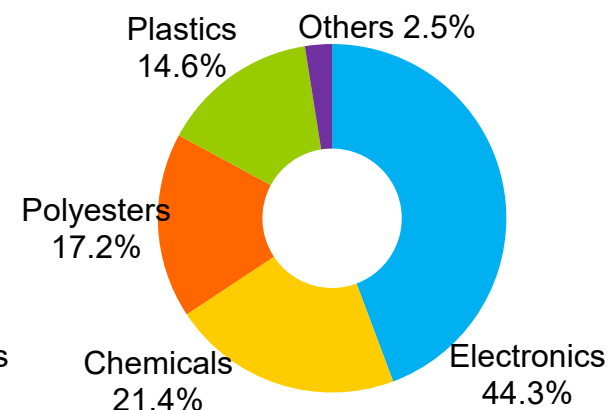
2022 3Q Net Sales
NT\$ 82.6 billion



2023 2Q Net Sales
NT\$ 63.7 billion



2023 3Q Net Sales
NT\$ 67.3 billion

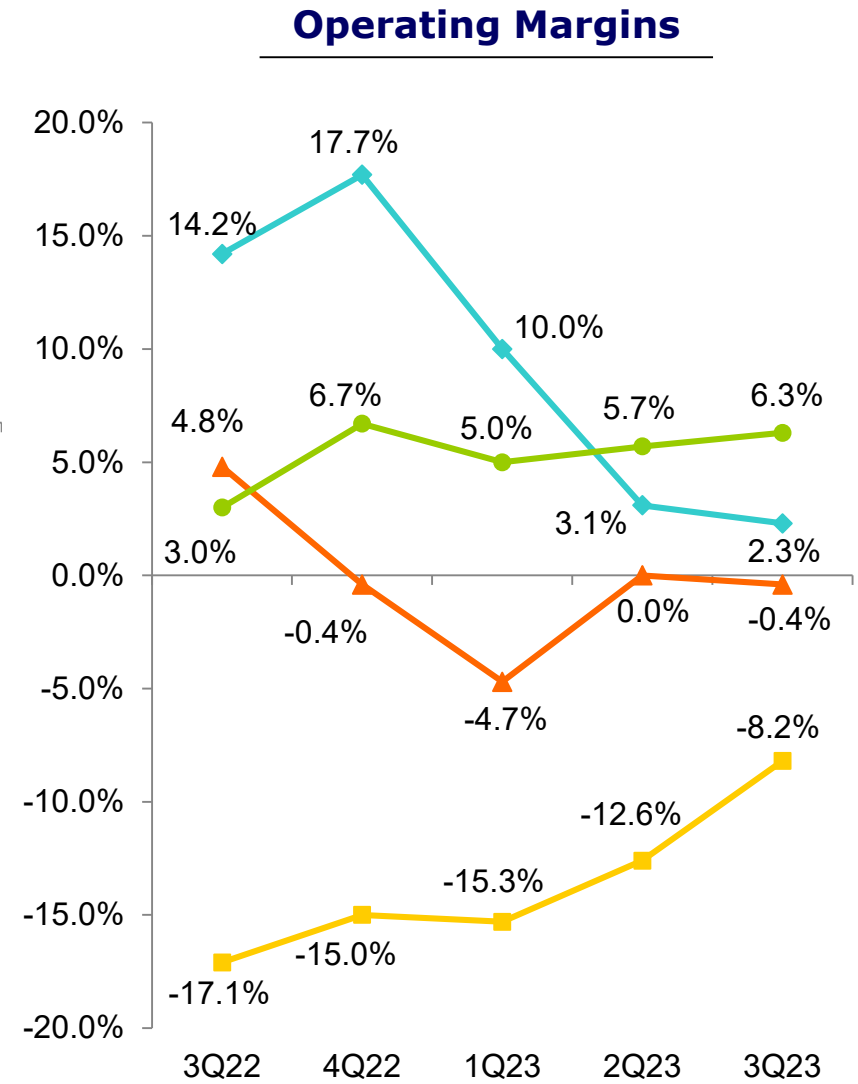
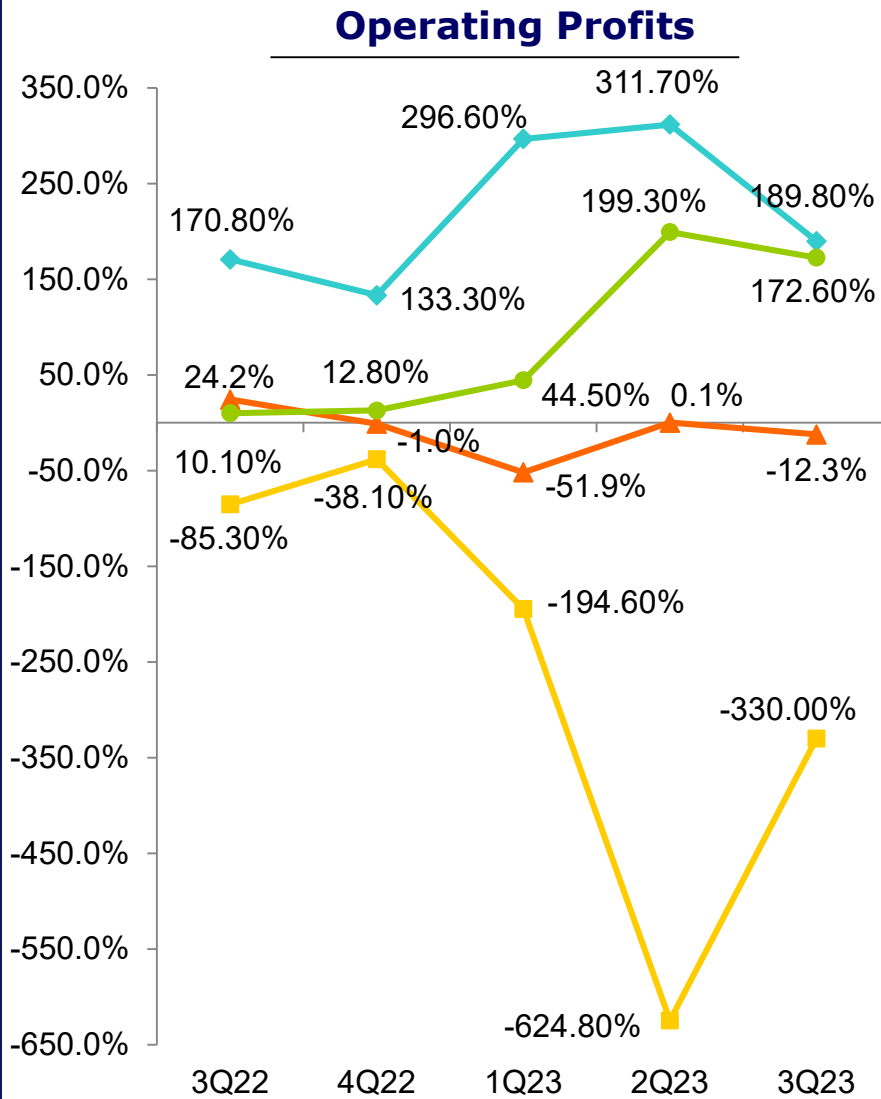


- The revenue proportion of electronic material products decreased compared with 2022 3Q due to the weakened demand and lower willingness among consumers to upgrade electronic devices. But along with the gradual normalization of inventory levels in the industry chain, the revenue proportion, the revenue proportion increased compared with 2023 2Q.
- The rise in oil prices has boosted the prices and demand for chemical products, leading the revenue proportion increased.
- The household consumer spending in United States was compressed due to inflation and interest rate hikes, causing the revenue proportion of polyester products decreased.



Financial Highlights

Operating Profits Breakdown by Product Segment



◆ Electronics
 ■ Chemicals
 ▲ Polyesters
 ● Plastics
 ◆ Electronics
 ■ Chemicals
 ▲ Polyesters
 ● Plastics

Annual Overlook

■ 4Q23 Overlook

The imposition of anti-dumping duties on downstream PC in mainland China and shipping disruptions at the Panama Canal, affecting the sales of BPA and some other products.

Due to year-end inventory checks, along with geopolitical conflicts and the ongoing technology war between the U.S. and China, the electronics industry is experiencing low market visibility, leading to a conservative outlook.

■ Annual Operating Strategies

- ◆ Continue to focus on new materials such as 5G high frequency and high speed, new energy vehicles and automotive electronic substrates, and actively develop high-value and differentiated high-end applications of electronic materials.
- ◆ Grasp the opportunity of green environmental protection and circular economy, research and develop environmentally friendly high-value green products, and provide consumers with more choices.
- ◆ Diversify production layouts in Taiwan, China, the United States, and Vietnam to build a regional supply system in response to market demand, supply chain transfer, and localization of high-end materials
- ◆ Strengthen the autonomy of the supply chain not only to grasp the emerging markets in India and Southeast Asia, but business opportunities with economic recovery in the European region.



Business Overview

Capacity Expansion Plan

Area	Product	Unit	Annual Capacity			Estimated Commissioning Date
			Current (Note1)	Expansion	Increase%	
Taiwan	Wide Semi-Rigid Film	KMT	0	12	100	2024/4
	PBAT CHIP	KMT	0	36	100	2024/6
	Polyester Release Film (5 th set)	KM ²	360,000	144,000	40	2024/7
	Polyester Release Film (6 th set)	KM ²	360,000	144,000	40	2024/10
	ABF Substrate Phase II	Million Unit	-	-	13	2024/1
	Solar System Phase I (Note2)	KW	-	51,625	100	2022/11
	Solar System Phase II	KW	-	7,074	100	2024/11
Mainland China	Copper Foil	KM	60,000	23,400	39	2025/6
	BPA(Note3)	KMT	186	170	91	2023/11
USA	Flexible PVC Sheeting	KMT	48	14	29	2024/5

Note1: Annual capacity is the total product production capacity by region.

Note2: Successively completed from Nov. 2022 to Dec. 2023.

Note3: Ningbo BPA Plant has commenced production in Nov. 2023.



THE END

